

Mainstay Energy  
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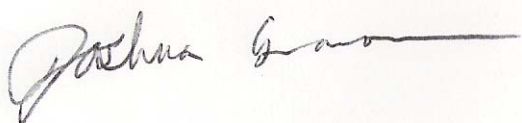
March 25, 2005

Harry Stoller  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

Mr. Stoller:

Mainstay Energy would like to submit the following comments in response to the presentations from the Wednesday, March 16 meeting. We look forward to the opportunity to discuss the specifics surrounding the Sustainable Energy Plan's implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Cynamon", written over a light-colored rectangular background.

Joshua Cynamon  
Director of Finance

cc: Michelle Mishoe

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## **Eligible Resources**

In their presentations, the Illinois utilities discussed several options for meeting SEP compliance requirements. Among these, Mainstay Energy would like to comment on two: 1) Energy imports and 2) Green Pricing energy.

The question of whether or not to include energy imports from neighboring states as an eligible source for compliance rests largely on Illinois' goals for this SEP. If Illinois seeks energy sources which promote sustainable production, predictable, level prices, and energy independence for America, then imports satisfy these directives, and provide a least-cost solution. If, however, Illinois wishes for increased local economic activity, Illinois jobs, and energy independence for Illinois, the SEP should require in-state generation. To settle this question, the legislature must set out its priorities, and evaluate what balance of imports and local generation accommodates these priorities.

With or without precedent in other state regulations, the use of Green Pricing Program energy for compliance has no place in Illinois' SEP. This is a question of consumer protection, namely, insuring that Green Pricing customers get what they pay for. Green Pricing customers typically purchase green energy (and are typically *sold* green energy by Green Pricing programs) as a vehicle for making a difference in the energy portfolio. Clearly, then, paying a premium for renewable energy which the utility would already have been obligated to generate under state law fails this objective. In addition, allowing the same energy to qualify for compliance and green pricing grants incumbent utilities unfair pricing power for "green" energy which undermines supplier competition. To protect customers, and to foster competition in our deregulated markets, Mainstay Energy recommends definitively excluding green pricing energy from compliance requirements.

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For questions or clarification, please contact:

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